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FORWARD PRICING COVERAGE

Presented By:

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June 6, 2000

FORWARD PRICING COVERAGE

- **DCMA Performance Metric Sites**
 - *ACAT I and/or II program locations where Govt. sales are \geq \$200 million*



Labor, G&A,
O/H

- **DCMA Metric Goal**
 - ♦ *FPRAs = 80% coverage*
 - ♦ *FRRs = 20% coverage*

- **Beneficial Segment Sites**
 - *Volume of pricing activities or contract dollars*

FORWARD PRICING COVERAGES

- **Factors Preventing FPRAs**
 - ***Accounting Changes***
 - ***Contractor Restructuring***
 - ***Business Base Forecasts***
 - ***Labor Rate Escalation***
 - ***Cost Allocations***

FORWARD PRICING COVERAGES

- **Keeping PCOs & PMs Apprised of Forward Pricing Rate Changes (PCN No. 00-108)**
 - ***Applies to major weapon program contracts***
 - ***Information incorporated into PI's Monthly Assessment Report***
 - **aberrations in major overhead rate pools**
 - **causes of those aberrations**
 - **corrective actions taken by the company**
 - **overall monetary impact to the program**
 - ***Cost impact information provided to CACOs***

FORWARD PRICING COVERAGE

- **Elimination of the Plant-Wide Data Report,
DD Form 1921-3 (Info Memo No. 00-177)**
 - ***Last June DCMA executed a MOU with the CAIG***
 - **DCMA offices that are resident at contractor sites will provide or have the contractor provide the contractor's forward pricing proposal**
 - **DCMA offices which are designated as beneficial sites will provided copies of FPRRs and FPRAs**

▪ ***In March DCMA executed an unilateral***

FORWARD PRICING COVER

- **Contract Depot Maintenance Activity Group G009/D035A Interface**
 - ***Interface used by Air Logistics Centers to monitor repairs at contractor facilities***
 - **G009 system tracks repairable and GFM usage**
 - **D035A system tracks requisition items**
 - ***Interface effective date: July 1, 2000***
 - **Covers approximately 1,500 contracts.**
 - **Contractor to input data daily (24 hours)**
 - ***HQs. Blanket Modification NLT June 19, 2000***